Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

GHG Reporting For 2015 Data
Electric Power Entities
April 19, 2016

Presentation slides available here:
http://www.arb.ca.gov/cc/reporting/ghg-rep/guidance/guidance-training.htm
Outline

- Overview
- General Reporting and Verification Information
- Updates to Guidance Documents
- Cal-e-GGRT Reporting Tool and Workbook Updates
- Questions
Overview
2014 Data Reporting Recap

- 775 reports submitted
- 528 verified
  - 99% received positive or qualified positive emissions verification statements
  - Other reports not subject to verification (abbreviated or retail provider with no imports/exports)
- 2014 summary data posted for all reports
  - [http://www.arb.ca.gov/cc/reporting/ghg-rep/reported-data/ghg-reports.htm](http://www.arb.ca.gov/cc/reporting/ghg-rep/reported-data/ghg-reports.htm)
Reporting Schedule

- June 1, 2016
  - Reports due for EPEs and electricity retail providers
  - No time extensions

- Failure to submit a report by the required deadline is a violation of the regulation for each day the report is late

Verification Schedule

- Must be completed by September 1, 2016
  - Verification statements due
  - Full verification this year – site visit required
  - No time extensions

- Begin verification process as soon as possible (e.g., contracting and scheduling). Do not wait until reporting is completed

- Verifiers must submit an adverse statement if verification not completed on time

- Failure to have a verification statement submitted by the verification deadline is a violation of the regulation for each day the verification statement is late
Enforcement Summary

- Issues that could lead to enforcement include:
  - Incorrect data submitted
  - Errors leading to a material misstatement (includes errors present at the reporting or the verification deadline)
  - Failure to fix correctable errors
  - Late reports or failure to report
  - Late verification or no verification

- ARB has completed enforcement actions related to reporting, and continues enforcement activities

- As completed, case settlements are posted here: http://www.arb.ca.gov/enf/casesett/casesett.htm
Regulation Updates

- Mandatory Reporting Regulation
  - No 2015 MRR updates
  - No new provisions take effect for 2015 data

- Cap-and-Trade Regulation
  - For EPEs, no changes to Covered Emissions calculations
General Reporting and Verification Information
Cal e-GGRT Tool Availability

- Tool available NOW
  - 2015 data reporting activated

- Existing 2014 data configurations were migrated to 2015 reports
  - Reduces setup workload

- Electric Power Entity module has been activated
Reporting Tips

- Start early, finish early
- Involve verifier as soon as possible
  - Include enough time to revise data based on verification
  - Some reporters are reaching the 6-year time limit with the same verification body and must hire a new verifier
  - Reminder: Complete and accurate data must be submitted by the reporting deadline
- Update DR, ADR, Agents as needed
  - Old employees, etc., have access to system until you remove them
- Contact ARB for any questions about requirements (ghgreport@arb.ca.gov)
  - Save and file any ARB responses as part of your GHG Inventory Program
- Check ARB guidance related to EPEs: http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/ghg-rep-power.htm
Verification Tips for Reporters

- Correctable errors must be fixed
  - If not, verifier must submit adverse statement

- “Covered emissions” data must meet accuracy requirements and be reasonably assured of no material misstatement

- If verifier and reporter disagree on requirements, always contact ARB for assistance

- Ensure GHG inventory program meets the requirements of section 95105(d) and includes any additional helpful information for your verifier
  - Robust GHG inventory programs facilitate verification

- Provide all ARB written clarifications for reporting to verifier
Verification Process Timing

- Reporters can improve process by:
  - Ensuring contracting is in place and COI is submitted to ARB prior to report submission
  - Providing data to verifiers ASAP after report submission
  - Scheduling site visits in June for EPEs
- Ask questions of ARB early to ensure sufficient time to address issues
- Reporters and verifiers should work together to facilitate earlier site visits and submission of verification statements
Updates to Guidance Documents
Guidance Document Updates

- Electric Power Entity (EPE) FAQ
  - Clarified CAISO sales reporting requirements
  - RPS Adjustment moved to separate document
- Energy Imbalance Market (EIM) FAQ
  - Temporarily removed for revision and will be reposted soon
- RPS Adjustment Guidance Document (new)
  - Explains regulatory requirements and implementation of RPS adjustment and specified source reporting

Documents available here:
http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/ghg-rep-power.htm
CAISO Sales Reporting (1)

- Applicable to POUs and co-ops that sold power into CAISO markets. Only applies to:
  - Power for which the entity has a compliance obligation
  - Power which was used to serve non-native load

- POUs/co-ops cannot use allocated allowance value to cover sales into CAISO markets, per §95892(d)(5) of the Cap-and-Trade Regulation

- Verifiers must contact ARB directly to confirm that a specific entity is not subject to this requirement

- Please contact: Mary Jane Coombs, Manager, mcoombs@arb.ca.gov
Electricity sold into CAISO markets means excess electricity that does not serve the utility’s native load, even if the generation resource causing the excess electricity is funded by municipal tax-exempt debt.

- Determination of excess electricity not serving native load is made on an hourly basis.
- Netting across or within hours is not allowed.
Emission factors for reporting sales into CAISO markets

- Out-of-State specified sources: Use specified source emission factor assigned by ARB in Workbook 1
- In-State specified sources: EDU may calculate an emission factor – calculation and methodology subject to verifier review for reasonableness

Unknown or unspecified sources

- Imported electricity that meets the requirements of unspecified power chose “Unspecified – CAISO Sales”
- Generation source unknown use “Unknown – CAISO Sales”

System emission factor: EDU may calculate a system emission factor – calculation and methodology subject to verifier review for reasonableness
ARB identified a number of issues with RPS adjustment claims for 2013 and 2014 data

- RPS adjustment must meet the requirements in section 95852(b)(4) of the Cap-and-Trade Regulation
  - **RPS adjustment must not be claimed for electricity that was directly delivered, or where the EPE could not demonstrate it was not directly delivered (§95852(b)(4)(D))**

- RECs must be retired within 45 days of reporting deadline to claim the RPS adjustment

- Reporting RPS adjustment is optional; if any requirement is not met, the entity must remove RPS adjustment or receive an adverse verification statement
EPEs claiming an RPS Adjustment must be prepared to provide evidence of no direct delivery by any entity to verifier.

Consider discussing with verifier early in process to anticipate any data needs.

Verifiers have been told RPS adjustment is high risk, and to review carefully.

EPEs may work with counterparties on RPS adjustment and specified source delivery transaction to obtain evidence that electricity associated with RPS adjustment claims was not directly delivered.
Imports **must be** reported as from a specified source in cases in which the importer is a generation-providing entity or the importer has a written power contract and power is directly delivered (section 95111(b)(4))

- This is the case regardless of any contracts dictating sale or ownership status of RECs, and regardless of contracts that seek to convey GHG benefits of zero emission power to other counterparties.

- Importers directly delivering power from specified sources **may not** “voluntarily” report the power as unspecified, regardless of REC ownership or ability to obtain REC serial number data.
REC Serial Number Reporting

- REC s do not need to be retired for specified source claims
- REC serial numbers must still be reported for any California RPS-eligible resources
- No under/over Reporting of RECs
  - Must meet requirement to report RECs “associated with electricity generated, directly delivered, and reported as specified imported electricity” per section 95111(g)(1)(M)(3)
- RECs must match MWh of imported power
  - Specified source claim still valid if RECs do not match MWh
- Failure to report REC serial numbers by the verification deadline = nonconformance = qualified positive verification statement
Cal e-G GRT Reporting Tool and Workbook Updates
CAISO Sales Reporting in Cal e-GGRT

- For EPEs that report retail sales only via Cal e-GGRT, they can now declare no reportable CAISO Sales under section 95111(a)(12) without using Workbook 1.

- If EPE has reportable CAISO sales then Workbook 1 must be used to report.
Threshold questions help determine whether an EPE has reportable CAISO Sales

- **If “Yes” on all questions, CAISO Sales must be reported**
- **One “No” on any question, no additional reporting is required**

<table>
<thead>
<tr>
<th>Threshold questions to determine whether you must report CAISO sales under 95111(a)(12).</th>
<th>REPORTABLE CAISO SALES?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>POU or CO-OP</strong></td>
<td>Are you a POU or Co-op? (Yes/No) If answering “No,” you are not required to report CAISO sales and no additional information is required on this tab.</td>
</tr>
<tr>
<td><strong>ALLOWANCES ALLOCATED TO COMPLIANCE ACCOUNT</strong></td>
<td>Did you direct ARB to deposit any allocated allowances into your compliance account or the compliance account of an electrical generating facility? If answering “No,” you are not required to report CAISO sales and no.</td>
</tr>
<tr>
<td><strong>CAISO SALES</strong></td>
<td>Did you sell any power into any CAISO markets during the last calendar year? (Yes/No)</td>
</tr>
<tr>
<td><strong>COMPLIANCE OBLIGATION</strong></td>
<td>Did you have, or did you direct ARB to deposit allocated allowances into the compliance account of an electrical generating facility that has a compliance obligation under the Cap-and-Trade Regulation for emissions from electricity sold into CAISO. (Yes/No)</td>
</tr>
<tr>
<td><strong>EXCESS ELECTRICITY SOLD INTO CAISO FOR NON-NATIVE LOAD</strong></td>
<td>Was any electricity from any resource in your portfolio sold into CAISO markets that ultimately served any non-native load? (Yes/No)</td>
</tr>
</tbody>
</table>

| Yes | Yes | Yes | Yes | Yes | Yes

If “Yes”, report detailed CAISO Sales information below.
REC Serial Tab Updates (1)

- Added functionality to ensure REC serial numbers are reported in correct format and are parsed correctly
- Acceptable format (Column O): 123-AB-45678-91011 to 91045
  - Addresses data validation issues and conforms with WREGIS data
- New functionality automatically parses out MWh quantity from REC serial range in Column O, and includes values in Columns E – G
  - Compares RECs from serial range to total quantity in Column P
  - Ensures reported MWh values match REC serial number range
- Only one REC serial number range by claim type, chosen in Column H: RPS Adjustment, Withdrawn RPS Adjustment, or Specified Source
- See screenshot, next slide
## Key elements are shown, some columns/rows hidden

### Tabulation of REC Quantities

<table>
<thead>
<tr>
<th>Facility and Unit ID Name (select &quot;Other&quot; if not listed)</th>
<th>ABD Facility and Unit ID#</th>
<th>If facility is un-listed, Facility Name</th>
<th>Total RECs</th>
<th>RPS Adjustment</th>
<th>Previously Reported But Subsequently Withdrawn RECs</th>
<th>Specified Source RECs per Section 95111(g)(1)(M)(3)</th>
<th>MAVH Tabulation for Each Line Item</th>
<th>Vintage Year/Month</th>
<th>Certificate Serial Numbers MUST conform to VTEGS format as follows (Arizona)-state or province (postal abbreviation)-serial batch (4)-serial block (10) and (serial block end) of other requested relationship messages</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington Valley Solar Project, ABD ID: 700100</td>
<td>701000</td>
<td></td>
<td>175,000</td>
<td>175,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>RPS Adjustment</td>
<td>4056-AZ-110035-1 to 175000</td>
<td>175,000</td>
<td></td>
</tr>
<tr>
<td>Ridge Meadows, ABD ID: 900100</td>
<td>900100</td>
<td></td>
<td>580,000</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>Specified Source</td>
<td>4056-WA-105035-1 to 580000</td>
<td>580,000</td>
<td></td>
</tr>
</tbody>
</table>
Other Workbook Updates (1)

- Added Searchable Drop Down List for Specified Sources, in tabs: Retail Provider, CAISO Sales, Spec Imports, RPS Adjust, REC Serial, and Wheeled
  - Allows EPEs to quickly locate a resource(s) among the many EFs, (e.g., find all plants with “wind” or “solar” in the title)
  - Avoids reporting of emissions from same source under different names (e.g., “River Road generating plant” and “Clark River Road”) by multiple EPEs
  - Provides data validation and increases reporting accuracy
  - Reduces need to report manual emission factors
  - Feb 1 Registration list and drop down list in Workbook 1 from same master list
Note added as flag to request approval from ARB before using manual emission factors

Simplified Generation Providing Entity (GPE) determination in Spec Imports tab in Column AR

- Removed old column AM which had GPE in drop down to increase reporting accuracy by providing one GPE field

Deleted the “Facility Reg Info” tab

Added Searchable Drop Down List for Grid Points in tabs: Unspec Imports, Spec Imports, Unspec Exports, and Wheeled

- Search for any text string and select, speeds data entry
Questions
Resources

- Email reporting questions to: ghgreport@arb.ca.gov
- Reporting Guidance for EPEs
  http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/ghg-rep-power.htm
- Cal e-GGRT Tool Training
  http://www.arb.ca.gov/cc/reporting/ghg-rep/tool/ghg-tool.htm
- Cal e-GGRT Main Help Page
  http://www.ccdsupport.com/confluence/display/calhelp/Home
- Accredited Verification Bodies
  http://www.arb.ca.gov/cc/reporting/ghg-ver/ghg-ver-accreditation.htm
# Key Reporting Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 14</td>
<td>Public release of Cal e-GGRT module for EPEs</td>
</tr>
<tr>
<td><strong>June 1</strong></td>
<td>Regulatory deadline: Reporting deadline for electric power entities and those subject to abbreviated reporting</td>
</tr>
<tr>
<td>September 1</td>
<td>Regulatory deadline: Verification statements due (emissions data and product data)</td>
</tr>
</tbody>
</table>
# GHG Reporting Contacts

<table>
<thead>
<tr>
<th>Subject Matter</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager – Climate Change Reporting Section</td>
<td><strong>Brieanne Aguila</strong>, Manager</td>
</tr>
<tr>
<td></td>
<td>916.324.0919</td>
</tr>
<tr>
<td>General Reporting Requirements, Stationary Combustion, Electricity Generation and Cogen, Miscellaneous Sectors, Cal e-GGRT Reporting</td>
<td><strong>Patrick Gaffney</strong></td>
</tr>
<tr>
<td></td>
<td>916.322.7303</td>
</tr>
<tr>
<td>Reporting Tool Registration and General Questions</td>
<td><strong>Karen Lutter</strong></td>
</tr>
<tr>
<td></td>
<td>916.322.8620</td>
</tr>
<tr>
<td>Electricity Retail Providers and Electricity Marketers</td>
<td><strong>Wade McCartney</strong></td>
</tr>
<tr>
<td></td>
<td>916.327.0822</td>
</tr>
<tr>
<td>Manager – Greenhouse Gas Verification Section</td>
<td><strong>Renee Lawver</strong>, Manager</td>
</tr>
<tr>
<td></td>
<td>916.322.7062</td>
</tr>
<tr>
<td>Verification of Electricity Retail Providers and Electricity Marketers</td>
<td><strong>Ryan Schauland</strong></td>
</tr>
<tr>
<td></td>
<td>916.324.1847</td>
</tr>
<tr>
<td>Chief - Program Planning and Monitoring Branch</td>
<td><strong>Jim Aguila</strong>, Chief</td>
</tr>
<tr>
<td></td>
<td>916.322.8283</td>
</tr>
</tbody>
</table>